

By: **SHAPLEIGH**

S.J.R. No. 55

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the issuance of  
2 general obligation bonds to provide loans for economic development  
3 projects that enhance the military value of military installations  
4 in the state.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Article III, Texas Constitution, is amended by  
7 adding Section 49-n to read as follows:

8 Sec. 49-n. (a) The legislature by general law may authorize  
9 one or more state agencies to issue general obligation bonds of the  
10 State of Texas in an aggregate amount not to exceed \$250 million.  
11 The proceeds from the sale of the bonds shall be deposited in the  
12 Texas military preparedness revolving loan account in the state  
13 treasury or its successor account to be used by one or more state  
14 agencies designated by the legislature by general law without  
15 further appropriation to provide loans for economic development  
16 projects that benefit defense-related communities, as defined by  
17 the legislature by general law, including projects that enhance the  
18 military value of military installations located in the state.

19 (b) The expenses incurred in connection with the issuance of  
20 the bonds and the costs of administering the revolving loan account  
21 may be paid from money in the Texas military preparedness revolving  
22 loan account.

23 (c) A defense-related community receiving a loan from the  
24 Texas military preparedness revolving loan account may use money

1 from the account to capitalize interest on the loan.

2 (d) An agency providing a loan from the Texas military  
3 preparedness revolving loan account to a defense-related community  
4 may require the defense-related community to pay any pro rata cost  
5 of issuing the general obligation bonds.

6 (e) Bonds authorized under this section are a general  
7 obligation of the state. While any of the bonds or interest on the  
8 bonds is outstanding and unpaid, there is appropriated out of the  
9 first money coming into the treasury in each fiscal year, not  
10 otherwise appropriated by this constitution, the amount sufficient  
11 to pay the principal of and interest on the bonds that mature or  
12 become due during the fiscal year, less any amounts in the interest  
13 and sinking accounts at the close of the preceding fiscal year that  
14 are pledged to payment of the bonds or interest.

15 SECTION 2. This proposed constitutional amendment shall be  
16 submitted to the voters at an election to be held November 4, 2003.  
17 The ballot shall be printed to permit voting for or against the  
18 proposition: "The constitutional amendment authorizing the  
19 issuance of general obligation bonds not to exceed \$250 million  
20 payable from the general revenues of the state to provide loans to  
21 defense-related communities for economic development projects,  
22 including projects that enhance the military value of military  
23 installations."

By: Shapleigh S.J.R. No. 55  
(In the Senate - Filed March 14, 2003; March 20, 2003, read first time and referred to Committee on Veteran Affairs and Military Installations; April 24, 2003, reported adversely, with favorable Committee Substitute by the following vote: Yeas 4, Nays 0; April 24, 2003, sent to printer.)

COMMITTEE SUBSTITUTE FOR S.J.R. No. 55 By: Shapleigh

SENATE JOINT RESOLUTION

proposing a constitutional amendment authorizing a guarantee program for bonds or other obligations issued for projects that enhance military value of military facilities in the state.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Texas Constitution, is amended by adding Section 50-g to read as follows:

Sec. 50-g. (a) The legislature by general law may provide for a guarantee program to which the state pledges its general credit in an amount not to exceed \$250 million to guarantee in whole or in part the principal of and interest on bonds or other obligations issued by a political subdivision for a project that will enhance the military value of a military facility located in, near, or adjacent to the political subdivision.

(b) The legislature by general law shall designate the state agency to administer the guarantee program and the political subdivisions eligible to seek a guarantee under the guarantee program and may authorize the state agency to execute agreements that specify the conditions by which the state will be obligated to pay the principal of and interest on bonds or other obligations of a political subdivision.

(c) The payment by the state of any obligation incurred by or on behalf of the state under the terms of a guarantee agreement made under authority of this section must be made from the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, and such amounts are hereby appropriated.

(d) Notwithstanding the total amount of bonds or other obligations guaranteed under this section, the total amount paid and not recovered by the state under this section, excluding costs of administration, may not exceed \$250 million. The state agency administering the guarantee program may not authorize guarantees under the program in any state fiscal year that exceed a total of \$250 million.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held September 13, 2003. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing a guarantee program in an amount not to exceed \$250 million to guarantee in whole or in part bonds or other obligations issued by a political subdivision for a project that will enhance the military value of a military facility located in, near, or adjacent to the political subdivision."

\* \* \* \* \*



FAVORABLY AS SUBSTITUTED  
SENATE COMMITTEE REPORT ON

SB SCR SJR SR HB HCR HJR 55  
By Shapleigh  
(Author/Senate Sponsor)  
April 24, 2003  
(date)

VETERAN AFFAIRS

We, your Committee on AND MILITARY INSTALLATIONS, to which was referred the attached measure,  
have on April 22, 2003, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation(s) that it:

- ☒ do pass as substituted, and be printed  
☐ the caption remained the same as original measure  
☒ the caption changed with adoption of the substitute  
☐ do pass as substituted, and be ordered not printed  
☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☒ yes ☐ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Van de Putte, Chair	x			
Senator Estes, Vice-Chair	x			
Senator Fraser			x	
Senator Madla	x			
Senator Shapleigh	x			
TOTAL VOTES	-4-	-0-	-1-	-0-

COMMITTEE ACTION

S260 Considered in public hearing

S270 Testimony taken

G. Watson Van de Putte  
COMMITTEE CLERK CHAIR

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute  
Retain one copy of this form for Committee files

## **BILL ANALYSIS**

Senate Research Center  
78R12353 MCK-D

C.S.S.J.R. 55  
By: Shapleigh  
Veterans Affairs & Military Installations  
4/23/2003  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Currently, Texas has 18 major military installations throughout the state that employ 225,000 people and contribute \$43.4 billion annually to the state economy. The Department of Defense has announced plans to adopt new technologies and national defense strategies to meet the changing needs of warfare. This transformation largely will be funded through execution of the 2005 Base Realignment and Closure process, which may close as much as 25 percent of the existing military installation infrastructure. State and defense community leaders are committed to ensuring that Texas remains a primary home and contributor to the evolving new defense strategies. C.S.S.J.R. 55 proposes a constitutional amendment to authorize the legislature, by general law, to provide for a guarantee program to which the state pledges its general credit in an amount not to exceed \$250 million, to enhance the military value of a military facility in the state. This joint resolution also establishes provisions to pay for the guarantee program and for how the guarantee program will be managed.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article III, Texas Constitution, by adding Section 50-g, as follows:

Sec. 50-g. (a) Authorizes the legislature, by general law, to provide for a guarantee program to which the state pledges its general credit in an amount not to exceed \$250 million to guarantee in whole or in part the principal of and interest on bonds or other obligations issued by a political subdivision for a project that will enhance the military value of a military facility located in, near, or adjacent to the political subdivision.

(b) Authorizes the legislature, by general law, to designate the state agency to administer the guarantee program and the political subdivisions eligible to seek a guarantee under the guarantee program, and to authorize that agency to execute agreements that specify the conditions by which the state will be obligated to pay the principal of and interest on bonds or other obligations or a political subdivision.

(c) Requires the payment by the state of any obligation incurred by or on behalf of the state under the terms of a guarantee agreement made under authority of this section to be made from the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, and provides that such amounts are hereby appropriated.

(d) Prohibits the total amount paid and not recovered by the state under this section, excluding costs or administration, from exceeding \$250 million, notwithstanding the total amount of bonds or other obligations guaranteed under this section. Prohibits the state agency administering the guarantee program from authorizing guarantees under the program in any state fiscal year that exceed a total of \$250 million.

SECTION 2. Requires that this proposed constitutional amendment be submitted to the voters at an election on September 13, 2003. Sets forth the required wording of the ballot.

There were NO  
witnesses at  
ANY time for,  
against, or on  
SJR No. 55, or  
CSSJR No. 55.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**Revision 1**

**April 24, 2003**

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$85,275.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate total not to exceed \$250,000,000. Proceeds of the sale of bonds shall be deposited into the Texas military value revolving loan account in the state treasury or its successor account. The purpose of the fund is to provide loans for economic development projects that benefit defense-related communities including projects that enhance the military value of military installations located in Texas.

The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 352 Bond Review Board

**LBB Staff:** JK, WK, WP, GG



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 1, 2003**

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.), **As Introduced**

**No fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$85,275.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate total not to exceed \$250,000,000. Proceeds of the sale of bonds shall be deposited into the Texas Military Preparedness Revolving Loan Fund in the state treasury or its successor account. The purpose of the fund is to provide loans for economic development projects that benefit defense-related communities including projects that enhance the military value of military installations located in Texas.

The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 352 Bond Review Board

**LBB Staff:** JK, WK, WP, GG

# ADOPTED

MAY 06 2003

*Atty. Gen.*  
Secretary of the Senate

By: SHAPLEIGH

S.J.R. No. 55

Substitute the following for S.J.R. No. 55:

By: Shapleigh

C.S. S.J.R. No. 55

## A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing a guarantee  
2 program for bonds or other obligations issued for projects that  
3 enhance military value of military facilities in the state.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III, Texas Constitution, is amended by  
6 adding Section 50-g to read as follows:

7 Sec. 50-g. (a) The legislature by general law may provide  
8 for a guarantee program to which the state pledges its general  
9 credit in an amount not to exceed \$250 million to guarantee in whole  
10 or in part the principal of and interest on bonds or other  
11 obligations issued by a political subdivision for a project that  
12 will enhance the military value of a military facility located in,  
13 near, or adjacent to the political subdivision.

14 (b) The legislature by general law shall designate the state  
15 agency to administer the guarantee program and the political  
16 subdivisions eligible to seek a guarantee under the guarantee  
17 program and may authorize the state agency to execute agreements  
18 that specify the conditions by which the state will be obligated to  
19 pay the principal of and interest on bonds or other obligations of a  
20 political subdivision.

21 (c) The payment by the state of any obligation incurred by  
22 or on behalf of the state under the terms of a guarantee agreement  
3 made under authority of this section must be made from the first  
24 money coming into the treasury in each fiscal year, not otherwise

1 appropriated by this constitution, and such amounts are hereby  
2 appropriated.

3 (d) Notwithstanding the total amount of bonds or other  
4 obligations guaranteed under this section, the total amount paid  
5 and not recovered by the state under this section, excluding costs  
6 of administration, may not exceed \$250 million. The state agency  
7 administering the guarantee program may not authorize guarantees  
8 under the program in any state fiscal year that exceed a total of  
9 \$250 million.

10 SECTION 2. This proposed constitutional amendment shall be  
11 submitted to the voters at an election to be held September 13,  
12 2003. The ballot shall be printed to permit voting for or against  
13 the proposition: "The constitutional amendment authorizing a  
14 guarantee program in an amount not to exceed \$250 million to  
15 guarantee in whole or in part bonds or other obligations issued by a  
16 political subdivision for a project that will enhance the military  
17 value of a military facility located in, near, or adjacent to the  
18 political subdivision."

# ADOPTED

MAY 06 2003

*Atty. Gen.*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: Shapleigh

Amend C.S.S.J.R. No. 55 by striking all below the resolving clause and substituting the following:

SECTION 1. Article III, Texas Constitution, is amended by adding Section 49-n to read as follows:

Sec. 49-n. (a) The legislature by general law may authorize one or more state agencies to issue general obligation bonds <sup>or notes</sup> of the State of Texas in an aggregate amount <sup>and enter into related credit agreements</sup> not to exceed \$250 million. The proceeds from the sale of the bonds <sup>and notes</sup> shall be deposited in the Texas military value revolving loan account in the state treasury or its successor account to be used by one or more state agencies designated by the legislature by general law without further appropriation to provide loans for economic development projects that benefit defense-related communities, as defined by the legislature by general law, including projects that enhance the military value of military installations located in the state.

(b) The expenses incurred in connection with the issuance of the bonds <sup>and notes</sup> and the costs of administering the Texas military value revolving loan account may be paid from money in the account.

(c) A defense-related community receiving a loan from the Texas military value revolving loan account may use money from the account to capitalize interest on the loan.

(d) An agency providing a loan from the Texas military value revolving loan account to a defense-related community may require the defense-related community to pay any pro rata cost of issuing the general obligation bonds <sup>and notes</sup>.

(e) Bonds <sup>and notes</sup> authorized under this section are a general obligation of the state. While any of the bonds <sup>or notes</sup> or interest on the bonds <sup>or notes</sup> is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not

1 otherwise appropriated by this constitution, the amount sufficient  
2 to pay the principal of and interest on the bonds <sup>or notes</sup> that mature or  
3 become due during the fiscal year, less any amounts in the interest  
4 and sinking accounts at the close of the preceding fiscal year that  
5 are pledged to payment of the bonds <sup>or notes</sup> or interest.

6 SECTION 2. This proposed constitutional amendment shall be  
7 submitted to the voters at an election to be held September 13,  
8 2003. The ballot shall be printed to permit voting for or against  
9 the proposition: "The constitutional amendment authorizing the  
10 issuance of general obligation bonds <sup>or notes</sup> not to exceed \$250 million  
11 payable from the general revenues of the state to provide loans to  
12 defense-related communities <sup>that will be repaid by the defense-related community,</sup> for economic development projects,  
13 including projects that enhance the military value of military  
14 installations."

Engrossed May 6, 2003  
Mardi A. Leavelle  
Engrossing Clerk

I certify this to be a true and correct  
copy of the indicated document as  
referred or transmitted to committee

Chief Clerk of the House

By: Shapleigh  
(Corte)

S.J.R. No. 55

SENATE JOINT RESOLUTION

proposing a constitutional amendment authorizing the issuance of  
general obligation bonds to provide loans to defense-related  
communities for economic development projects, including projects  
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authorize one or more state agencies to issue general obligation  
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\$250 million. The proceeds from the sale of the bonds shall be  
deposited in the Texas military value revolving loan account in the  
state treasury or its successor account to be used by one or more  
state agencies designated by the legislature by general law without  
further appropriation to provide loans for economic development  
projects that benefit defense-related communities, as defined by  
the legislature by general law, including projects that enhance the  
military value of military installations located in the state.

(b) The expenses incurred in connection with the issuance of  
the bonds and the costs of administering the Texas military value  
revolving loan account may be paid from money in the account.

(c) A defense-related community receiving a loan from the  
Texas military value revolving loan account may use money from the

1 account to capitalize interest on the loan.

2 (d) An agency providing a loan from the Texas military value  
3 revolving loan account to a defense-related community may require  
4 the defense-related community to pay any pro rata cost of issuing  
5 the general obligation bonds.

6 (e) Bonds authorized under this section are a general  
7 obligation of the state. While any of the bonds or interest on the  
8 bonds is outstanding and unpaid, there is appropriated out of the  
9 first money coming into the treasury in each fiscal year, not  
10 otherwise appropriated by this constitution, the amount sufficient  
11 to pay the principal of and interest on the bonds that mature or  
12 become due during the fiscal year, less any amounts in the interest  
13 and sinking accounts at the close of the preceding fiscal year that  
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15 SECTION 2. This proposed constitutional amendment shall be  
16 submitted to the voters at an election to be held September 13,  
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20 payable from the general revenues of the state to provide loans to  
21 defense-related communities for economic development projects,  
22 including projects that enhance the military value of military  
23 installations."

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**April 24, 2003**

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$85,275.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate total not to exceed \$250,000,000. Proceeds of the sale of bonds shall be deposited into the Texas military value revolving loan account in the state treasury or its successor account. The purpose of the fund is to provide loans for economic development projects that benefit defense-related communities including projects that enhance the military value of military installations located in Texas.

The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 352 Bond Review Board

**LBB Staff:** JK, WK, WP, GG



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 1, 2003**

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.), **As Introduced**

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**LBB Staff:** JK, WK, WP, GG

03 MAY -8 PM 5: 19  
HOUSE OF REPRESENTATIVES

**HOUSE**  
**COMMITTEE REPORT**  
**1<sup>st</sup> Printing**

By: Shapleigh  
(Corte)

S.J.R. No. 55

SENATE JOINT RESOLUTION

proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans to defense-related communities for economic development projects, including projects that enhance military value of military installations.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Texas Constitution, is amended by adding Section 49-n to read as follows:

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(b) The expenses incurred in connection with the issuance of the bonds and the costs of administering the Texas military value revolving loan account may be paid from money in the account.

(c) A defense-related community receiving a loan from the Texas military value revolving loan account may use money from the

1 account to capitalize interest on the loan.

2 (d) An agency providing a loan from the Texas military value  
3 revolving loan account to a defense-related community may require  
4 the defense-related community to pay any pro rata cost of issuing  
5 the general obligation bonds.

6 (e) Bonds authorized under this section are a general  
7 obligation of the state. While any of the bonds or interest on the  
8 bonds is outstanding and unpaid, there is appropriated out of the  
9 first money coming into the treasury in each fiscal year, not  
10 otherwise appropriated by this constitution, the amount sufficient  
11 to pay the principal of and interest on the bonds that mature or  
12 become due during the fiscal year, less any amounts in the interest  
13 and sinking accounts at the close of the preceding fiscal year that  
14 are pledged to payment of the bonds or interest.

15 SECTION 2. This proposed constitutional amendment shall be  
16 submitted to the voters at an election to be held September 13,  
17 2003. The ballot shall be printed to permit voting for or against  
18 the proposition: "The constitutional amendment authorizing the  
19 issuance of general obligation bonds not to exceed \$250 million  
20 payable from the general revenues of the state to provide loans to  
21 defense-related communities for economic development projects,  
22 including projects that enhance the military value of military  
23 installations."

COMMITTEE REPORT

The Honorable Tom Craddick  
Speaker of the House of Representatives

5-8-2003  
(date)

Sir:

We, your COMMITTEE ON DEFENSE AFFAIRS AND STATE-FEDERAL RELATIONS

to whom was referred SJR 55 have had the same under consideration and beg to report back with the recommendation that it

- (✓) do pass, without amendment.
- ( ) do pass, with amendment(s).
- ( ) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
- ( ) yes (✓) no A fiscal note was requested.
- ( ) yes (✓) no A criminal justice policy impact statement was requested.
- ( ) yes (✓) no An equalized educational funding impact statement was requested.
- ( ) yes (✓) no An actuarial analysis was requested.
- ( ) yes (✓) no A water development policy impact statement was requested.
- ( ) yes (✓) no A tax equity note was requested.
- ( ) The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor CORTE

Joint Sponsors: / / /

Co-Sponsors:

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Corte, Jr., Chair	✓			
Campbell, Vice-chair	✓			
Berman	✓			
Delisi				✓
Mabry, Jr.				✓
Merritt				✓
Moreno	✓			
Noriega	✓			
Seaman	✓			

Total      6      aye  
                 0      nay  
                 0      present, not voting  
                 3      absent

CHAIR Frank J. Corte, Jr.

## **BILL ANALYSIS**

S.J.R. 55

By: Shapleigh

Defense Affairs and State-Federal Relations  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

With another round of Base Realignment and Closure (BRAC) coming in 2005, Texas bases will need to justify the existence and need for the missions that they support. Additionally, the DOD will review the base's surrounding areas to ensure that adequate infrastructure is in place to meet the needs of the mission of the base units. This could include nearby road systems, water availability and additions of railroad infrastructure. Due to the economic impact of these bases on the local area, the communities need a mechanism to access money to fund these infrastructure needs. SJR 55 allows for a state agency to issue up to \$250 million general obligation bonds to fund a military value revolving loan account, giving communities access to much needed money at a relatively low interest rate.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency or institution.

### **ANALYSIS**

SECTION 1. Allows the legislature to authorize one or more state agencies to issue general obligation bonds not to exceed \$250 million for the purpose of funding the Texas Military Value revolving loan account. The expenses incurred with the issuance of the bonds and costs of administering the revolving loan account may be paid for from money in the account.

SECTION 2. This proposed constitutional amendment will be submitted to the voters on September 13, 2003. This SECTION quotes the ballot language to be used.

SUMMARY OF COMMITTEE ACTION

• SJR 55

May 8, 2003 8:00AM

Considered in public hearing  
Reported favorably without amendment(s)

1 2

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**Revision 1**

**April 24, 2003**

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.), **Committee Report 1st House, Substituted**

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The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 352 Bond Review Board

**LBB Staff:** JK, WK, WP, GG

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 1, 2003**

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.), **As Introduced**

**No fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$85,275.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate total not to exceed \$250,000,000. Proceeds of the sale of bonds shall be deposited into the Texas Military Preparedness Revolving Loan Fund in the state treasury or its successor account. The purpose of the fund is to provide loans for economic development projects that benefit defense-related communities including projects that enhance the military value of military installations located in Texas.

The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 352 Bond Review Board

**LBB Staff:** JK, WK, WP, GG



LIST OF HOUSE AMENDMENTS CONSIDERED TODAY

SJR55-Second Reading

<u>AMENDMENT#</u>	<u>AUTHOR</u>	<u>DESCRIPTION</u>	<u>ACTION</u>
1	Corte	Amendment	Adopted

ADOPTED

MAY 10 2003

Robert Haney  
Chief Clerk  
House of Representatives



FLOOR AMENDMENT NO. 1

BY: Corte

Amend S.J.R. No. 55 as follows:

✓(1) In Section 1 of the resolution, in added Section 49-n(a),  
Article III, Texas Constitution (house committee printing, page 1,  
line 11), between "bonds" and "of" insert "or notes". \* see EA #1 5-6-03

✓(2) In Section 1 of the resolution, in added Section 49-n(a),  
Article III, Texas Constitution (house committee printing, page 1,  
line 12), between "million" and the period insert "and enter into  
related credit agreements".

✓(3) In Section 1 of the resolution, in added Section 49-n(a),  
Article III, Texas Constitution (house committee printing, page 1,  
line 12), between "bonds" and "shall" insert "and notes".

✓(4) In Section 1 of the resolution, in added Section 49-n(b),  
Article III, Texas Constitution (house committee printing, page 1,  
line 21), between "bonds" and "and" insert "and notes".

✓(5) In Section 1 of the resolution, in added Section 49-n(b),  
Article III, Texas Constitution (house committee printing, page 1,  
line 22), after the period insert Money in the Texas military

value revolving loan account may be used to pay all or part of any  
payment owed under a credit agreement related to the bonds or  
notes.

✓(6) In Section 1 of the resolution, in added Section 49-n(d),  
Article III, Texas Constitution (house committee printing, page 2,  
line 5), between "bonds" and the period insert "and notes".

1 ✓(7) In Section 1 of the resolution, in added Section 49-n(e),  
2 Article III, Texas Constitution (house committee printing, page 2,  
3 line <sup>26</sup>6), between "Bonds" and "authorized" insert "and notes".

4 ✓(8) In Section 1 of the resolution, in added Section 49-n(e),  
5 Article III, Texas Constitution (house committee printing, page 2,  
6 line <sup>27</sup>7), between "bonds" and "or" insert "or notes".

7 ✓(9) In Section 1 of the resolution, in added Section 49-n(e),  
8 Article III, Texas Constitution (house committee printing, page 2,  
9 line <sup>28</sup>8), between "bonds" and "is" insert "or notes".

10 ✓(10) In Section 1 of the resolution, in added Section  
11 49-n(e), Article III, Texas Constitution (house committee printing,  
12 page 2, line <sup>2</sup>1), between "bonds" and "that" insert "or notes".

13 <sup>See 9/15</sup> ✓(11) In Section 1 of the resolution, in added Section  
14 49-n(e), Article III, Texas Constitution (house committee printing,  
15 page 2, line <sup>3</sup>12), between the comma and "less" insert "including an  
16 amount sufficient to make payments under a related credit  
17 agreement."

18 ✓(12) In Section 1 of the resolution, in added Section  
19 49-n(e), Article III, Texas Constitution (house committee printing,  
20 page 2, line <sup>5</sup>14), between "bonds" and "or" insert "or notes".

21 ✓(13) In Section 2 of the resolution (house committee  
22 printing, page 2, line <sup>10</sup>19), between "bonds" and "not" insert "or  
23 notes".

24 ✓(14) In Section 2 of the resolution (house committee printing,  
25 page 2, line <sup>12</sup>21), between "communities" and "for" insert "that will

1    be repaid by the defense-related community,".

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**May 13, 2003**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans to defense-related communities for economic development projects, including projects that enhance military value of military installations. ), **As Passed 2nd House**

**No fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$475,584.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate amount not to exceed \$250 million and enter into related credit agreements. Proceeds of the sale of bonds shall be deposited into the Texas military value revolving loan account in the state treasury or its successor account to be used by one or more state agencies designated by the legislature by general law without further appropriation to provide loans for economic development projects. The purpose of the economic development projects is to benefit defense-related communities, as defined by the legislature by general law, including projects that enhance the military value of military installations located in the state.

Bonds authorized by this proposal are a general obligation of the state. While any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amounts in the interest and sinking accounts at the close of the preceding fiscal year that are pledged to payment of the bonds or interest.

The constitutional amendment is to be submitted to the voters at an election held September 13, 2003. According to the Secretary of State, presenting one constitutional amendment on a ballot results in higher costs because economies of scales are lost. The estimated cost of \$475,584 would include \$314,062 for postage, \$50,872 for printing, \$110,500 for newspaper advertising, and \$150 for translation costs. According to the Secretary of State, these costs are similar to those experienced in November 2002 when one constitutional amendment was presented to voters.

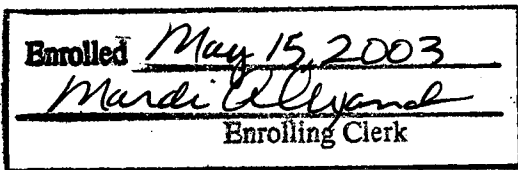
The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JK, SD, WP, GG



S.J.R. No. 55

SENATE JOINT RESOLUTION

proposing a constitutional amendment authorizing the issuance of general obligation bonds or notes to provide loans to defense-related communities for economic development projects, including projects that enhance military value of military installations.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Texas Constitution, is amended by adding Section 49-n to read as follows:

Sec. 49-n. (a) The legislature by general law may authorize one or more state agencies to issue general obligation bonds or notes of the State of Texas in an aggregate amount not to exceed \$250 million and enter into related credit agreements. The proceeds from the sale of the bonds and notes shall be deposited in the Texas military value revolving loan account in the state treasury or its successor account to be used by one or more state agencies designated by the legislature by general law without further appropriation to provide loans for economic development projects that benefit defense-related communities, as defined by the legislature by general law, including projects that enhance the military value of military installations located in the state.

(b) The expenses incurred in connection with the issuance of the bonds and notes and the costs of administering the Texas military value revolving loan account may be paid from money in the

1 account. Money in the Texas military value revolving loan account  
 2 may be used to pay all or part of any payment owed under a credit  
 3 agreement related to the bonds or notes.

4 (c) A defense-related community receiving a loan from the  
 5 Texas military value revolving loan account may use money from the  
 6 account to capitalize interest on the loan.

7 (d) An agency providing a loan from the Texas military value  
 8 revolving loan account to a defense-related community may require  
 9 the defense-related community to pay any pro rata cost of issuing  
 10 the general obligation bonds and notes.

11 (e) Bonds and notes authorized under this section are a  
 12 general obligation of the state. While any of the bonds or notes or  
 13 interest on the bonds or notes is outstanding and unpaid, there is  
 14 appropriated out of the first money coming into the treasury in each  
 15 fiscal year, not otherwise appropriated by this constitution, the  
 16 amount sufficient to pay the principal of and interest on the bonds  
 17 or notes that mature or become due during the fiscal year, including  
 18 an amount sufficient to make payments under a related credit  
 19 agreement, less any amounts in the interest and sinking accounts at  
 20 the close of the preceding fiscal year that are pledged to payment  
 21 of the bonds or notes or interest.

22 SECTION 2. This proposed constitutional amendment shall be  
 23 submitted to the voters at an election to be held September 13,  
 24 2003. The ballot shall be printed to permit voting for or against  
 25 the proposition: "The constitutional amendment authorizing the  
 26 issuance of general obligation bonds or notes not to exceed \$250  
 27 million payable from the general revenues of the state to provide

S.J.R. No. 55

1 loans to defense-related communities, that will be repaid by the  
2 defense-related community, for economic development projects,  
3 including projects that enhance the military value of military  
4 installations."

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President of the Senate

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Speaker of the House

I hereby certify that S.J.R. No. 55 was adopted by the Senate on May 6, 2003, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 15, 2003, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

I hereby certify that S.J.R. No. 55 was adopted by the House on May 10, 2003, by the following vote: Yeas 133, Nays 0, two present not voting.

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Chief Clerk of the House



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**May 13, 2003**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans to defense-related communities for economic development projects, including projects that enhance military value of military installations. ), **As Passed 2nd House**

**No fiscal implication to the State is anticipated**, other than the cost of publication.

The cost to the state for publication of the resolution is \$475,584.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate amount not to exceed \$250 million and enter into related credit agreements. Proceeds of the sale of bonds shall be deposited into the Texas military value revolving loan account in the state treasury or its successor account to be used by one or more state agencies designated by the legislature by general law without further appropriation to provide loans for economic development projects. The purpose of the economic development projects is to benefit defense-related communities, as defined by the legislature by general law, including projects that enhance the military value of military installations located in the state.

Bonds authorized by this proposal are a general obligation of the state. While any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become during the fiscal year, less any amounts in the interest and sinking accounts at the close of the preceding fiscal year that are pledged to payment of the bonds or interest.

The constitutional amendment is to be submitted to the voters at an election held September 13, 2003. According to the Secretary of State, presenting one constitutional amendment on a ballot results in higher costs because economies of scales are lost. The estimated cost of \$475,584 would include \$314,062 for postage, \$50,872 for printing, \$110,500 for newspaper advertising, and \$150 for translation costs. According to the Secretary of State, these costs are similar to those experienced in November 2002 when one constitutional amendment was presented to voters.

The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JK, SD, WP, GG

**LEGISLATIVE BUDGET BOARD**

Austin, Texas

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

Revision 1

April 24, 2003

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$85,275.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate total not to exceed \$250,000,000. Proceeds of the sale of bonds shall be deposited into the Texas military value revolving loan account in the state treasury or its successor account. The purpose of the fund is to provide loans for economic development projects that benefit defense-related communities including projects that enhance the military value of military installations located in Texas.

The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 352 Bond Review Board

**LBB Staff:** JK, WK, WP, GG

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 1, 2003**

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SJR55** by Shapleigh (Proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.), **As Introduced**

**No fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$85,275.

The proposed Constitutional amendment would authorize one or more state agencies to issue general obligation bonds in an aggregate total not to exceed \$250,000,000. Proceeds of the sale of bonds shall be deposited into the Texas Military Preparedness Revolving Loan Fund in the state treasury or its successor account. The purpose of the fund is to provide loans for economic development projects that benefit defense-related communities including projects that enhance the military value of military installations located in Texas.

The resolution would have no fiscal impact, except the cost of publication. If enabling legislation were enacted, however, there could be a fiscal impact on the state and units of local government.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 352 Bond Review Board

**LBB Staff:** JK, WK, WP, GG

1,22

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.J.R. No. 55 was adopted by the Senate on May 6, 2003, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.J.R. No. 55 was adopted by the House on May 10, 2003, by the following vote: Yeas <sup>133</sup>~~136~~, Nays 0.

*two present not voting*

\_\_\_\_\_  
Chief Clerk of the House

; and that the Senate concurred in House amendment on May 15, 2003, by the following vote: Yeas 31, Nays 0

S.J.R. No. 55

By \_\_\_\_\_

proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide loans for economic development projects that enhance the military value of military installations in the state.

MAR 14 2003 Filed with the Secretary of the Senate

MAR 20 2003 Read and referred to Committee on VETERAN AFFAIRS & MILITARY INSTALLATIONS

APR 24 2003 Reported favorably \_\_\_\_\_

APR 24 2003 Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

APR 24 2003 Ordered not printed

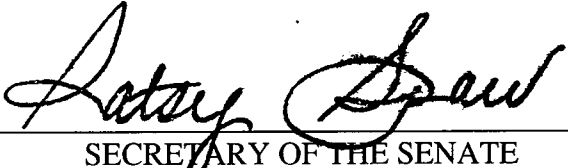
APR 24 2003 Laid before the Senate

MAY 06 2003 Senate and Constitutional Rules to permit consideration suspended by: { unanimous consent  
\_\_\_\_ yeas, \_\_\_\_ nays

MAY 06 2003 Read second time, amended, and ordered engrossed by: { unanimous consent  
a viva voce vote  
\_\_\_\_ yeas, \_\_\_\_ nays

MAY 06 2003 Senate and Constitutional 3 Day Rule suspended by a vote of 30 yeas, 0 nays.

MAY 06 2003 Read third time, \_\_\_\_\_, and passed by: 30 yeas, 0 nays

  
SECRETARY OF THE SENATE

OTHER ACTION:

May 6, 2003 Engrossed

May 7, 2003 Sent to House

MAY 10 2003 Motion to reconsider the vote by which the SJR ~~was~~ finally adopted prevails.

MAY 10 2003 Read second time (amended) and adopted by a record vote of 133 yeas, 0 nays, 2 present, not voting.

Engrossing Clerk Mardi Alefand

MAY 07 2003 Received from the Senate

MAY 07 2003 Read first time and referred to Committee on Defense Affairs and State-Federal Relations

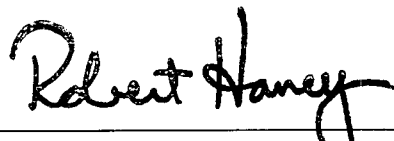
MAY 08 2003 Reported \_\_\_\_\_ favorably (~~amended~~) (~~amended~~)

MAY 08 2003 Sent to Committee on Calendars

MAY 10 2003 Read second time (~~amended~~ subst.) (~~amended~~) and adopted (~~passed to third reading~~) by a record vote of 136 yeas, 0 nays, 2 present, not voting

MAY 10 2003 Read third time (amended) and finally adopted (failed of adoption) by a record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting

MAY 12 2003 Returned to Senate.

  
CHIEF CLERK OF THE HOUSE

MAY 12 2003 Returned from House without amendment.

MAY 12 2003 Returned from House with 1 amendments.

MAY 15 2003 Concurred in House amendments by a ~~viva voce vote~~ 31 yeas, 0 nays.

\_\_\_\_\_ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

\_\_\_\_\_ Senate conferees instructed.

\_\_\_\_\_ Senate conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

\_\_\_\_\_ House granted Senate request. House conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_ Conference Committee Report read and filed with the Secretary of the Senate.

\_\_\_\_\_ Conference Committee Report adopted on the part of the House by: \_\_\_\_\_.

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

\_\_\_\_\_ Conference Committee Report adopted on the part of the Senate by:

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

OTHER ACTION:

\_\_\_\_\_ Recommitted to Conference Committee

\_\_\_\_\_ Conferees discharged.

\_\_\_\_\_ Conference Committee Report failed of adoption by: \_\_\_\_\_.

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

03 MAY -8 PM 5: 19  
HOUSE OF REPRESENTATIVES